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SUBJECT: MEDIA REACTION ARGENTINE DEBT TO PARIS CLUB; IRANIAN
AHMADINEJAD VISIT TO LATIN AMERICA; RAFAEL CORREA; 10/01/07

1. SUMMARY STATEMENT

Weekend international stories include the USG asking Argentina to resume talks with the IMF in order to settle its Paris Club debt; implications of Iranian President Mahmoud Ahmadinejad's visit to Latin America; and the outcome of Ecuadorian elections.

2. OPINION PIECES AND EDITORIALS

- "The US asks Argentina to come to terms with the IMF again"

Hugo Alconada Mon, Washington-based correspondent for daily-of-record "La Nacisn," writes (09/29) "The US will condition its support for an eventual deal between Argentina and the Paris Club on either party reaching an 'understanding' with the IMF, even when it may not be a formal agreement.

"The US posture, which also includes resumption of talks about holdouts, was made public after the meeting between US Secretary of State Condoleezza Rice and Argentine FM Jorge Taiana at the UN..., following several months of tension.

"The highest-ranking USG officer in charge of Latin American Affairs, Tom Shannon, told 'La Nacisn': 'The US understands the importance of this issue for Argentina and believes that a positive response from the Paris Club will depend on the ability of Argentina and the IMF to come to some kind of understanding.'

"Shannon was extremely careful in his remarks. He talked about the need for an 'understanding,' not a 'formal agreement' between the (Argentine) Government and the IMF, as demanded by other powers from the (Paris) Club, such as Germany, Japan and Italy. Whoever takes power in December will need to resume talks with the IMF if he/she wishes to pay off the country's debt to the (Paris) Club.

"According to a USG source, the Assistant Secretary of State sought to mark a difference. The source said that Washington does not consider it essential for Argentina to subject itself to formal conditionality, a stand-by agreement or a program with the IMF, and that just 'a political deal' would suffice, but (Argentina) will have to sign something. The source explained that only after that happens, will the US believe that Argentina could reach some kind of deal with the (Paris) Club.'

"... Signals from Buenos Aires will be decisive for the US Department of Treasury, which is the toughest block in Washington...

"Republicans and Democrats alike are mistrustful of the ties between the Argentine Government and Venezuelan President Hugo Chvez and reject Kirchner's claims.

"A source said 'If I was Argentina and wanted US support at the Paris Club (for which I should reach a political, not formal, deal with the IMF) I would be extremely cautious when claiming that Washington did not help me. It would be easy for them to tell me to go to Chavez for help.'"

- "A campaign that ignores conflicts"

Joaquin Morales Sol, political columnist of daily-of-record "La Nacion," comments (09/30) "... (Argentine President) Nstor Kirchner has just claimed that Bush did not help Argentina when it went through its crisis. Bush did not help Fernando de la Rúa nor Eduardo Duhalde because they were victims to the first wave of economists of the Bush era. That was when Paul O'Neill and Anne Krueger used to say that bankrupt countries should simply run bankrupt. During the final months of the Duhalde government, Washington did help with a crucial deal with the IMF even when it had to break G7 usual consensus. Thanks to that truce, Kirchner was able to 'float' amid the 'tempest' of the crisis. Bush helped Kirchner.

"Perhaps Kirchner lashed out at Bush because he considered that he had done enough for him by having accused Iran at the UNGA for its lack of cooperation in the AMIA probe, although this is not a problem for Washington but for Kirchner... Or weren't the 86 dead in the attack not Argentines? Kirchner is negotiating with Bush just like he does with Hugo Moyano - a pat is followed by indifference."

- "Villains"

Left-of-center "Página 12" carries an opinion piece by political columnist Santiago O'Donnell, who writes (09/30) "As time goes by, history repeats itself - the villain on duty makes his presentation at the UNGA to have a duel with the host president... The message is always the same - enemies of the US are enemies of the civilized

world. It happened with the Soviets, it happened with Fidel, it now happens with Iranian President Mahmoud Ahmadinejad...

"... The case is that the Iranian leader visited the region this week and he stopped in Caracas and La Paz. Washington's weakness and lack of interest in Latin America made possible a visit that was unthinkable some years ago.

"Ahmadinejad's visit opens a question - is it advisable to establish alliances with extra-regional leaders in order to promote alternative development strategies? In principle, Argentina's alliance with Iran is forbidden. There are three different issues with many common points - the attacks against the AMIA and the Israeli Embassy, the confrontation in the Middle East and the global war on terrorism.

"Regarding the first issue, we all know that the Argentine Government has accused Iranian government officials of masterminding the attack against the AMIA... Then there is the confrontation in the Middle East... The lesson left by the attacks against AMIA and the Embassy is that it does not seem opportune to get involved in such an explosive conflict.

"The third issue is Bush's war on terrorism, in which Washington has assigned a passive role to Argentina, but a role anyway... What really matters to Bush is that the Kirchner administration has provided all necessary cooperation, as Deputy Assistant Secretary Thomas Shannon said during his last visit to the country... Washington has just declared the Iranian National Guard a terrorist organization... In this context, it is not easy to do business with Iranians.

"... However, the Iranian leader's visit in Latin America is both an opportunity and a risk for all Latin American countries he visited or will visit and more so after his performance in New York.

"This is why the Iranian president's tour to Latin America has diplomatic and commercial objectives that are constrained by the geo-political reality, but in any case is loaded with symbolism, which is hard to ignore. His visit will open a road which the countries of the region can use to deepen their exchange with less

problematic trade blocs such as the Chinese or the Europeans... after the failure of the US-led FTAA project. Or, it could serve to demand more attention and a change of attitude from the US, just as the Argentine president did last week."

- "Facing a dangerous concentration of power"

Dolores Tereso, international columnist of daily-of-record "La Nacisn, comments (10/01) "Ecuadorians' blunt support for President Rafael Correa will guarantee an impressive amount of power for the leader..., which can only be compared with the power of his allied in the region, Venezuelan Hugo Chavez.

"With this new victory, Correa obtained the support required to draft a Socialist Constitution according to his style, and to rule and pass legislation without resorting to Congress, which he confirmed he will dissolve.

"This is the beginning of a road that, according to his critics, will lead to the same authoritarian model established by his Venezuelan counterpart. In fact, with yesterday's elections, Ecuador joined the movement led by Chavez in the region.

"... Ecuadorians confirmed their support for the change Correa represents and the definite rupture with a political system that, for the last decade, turned Ecuador in the most unstable country in the region.

"... Yesterday's elections will guarantee Correa some amount of power than can only be matched with that of Chavez...

"... What lies ahead is a period of uncertainty in view of Correa's possible authoritarian turn and his plan to dissolve Congress. The latter is a measure of dubious legality that could jeopardize the fragile stability of the country. Uncertainty also prevails about the final direction of Ecuador's dollarized economy and the extent of Correa's socialist revolution... Correa even showed he could promote the presidential re-election, an ambitious objective in a country in which no president managed to finish his term in office for the last ten years."

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